

# Medicare Prescription Drug Coverage

## “Information for Medicare Savings Program Recipients and Supplemental Security Income Recipients Who Do Not Have Medicaid”



### A Question and Answer Guide Produced by the CHOICES Program

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On January 1, 2006 Medicare started a new program to pay for prescription drugs for everyone who has Medicare Part A or Part B.

If you have Medicare and the State of Connecticut pays your monthly Medicare Part B premium through the Medicare Savings Program (QMB, SLMB or ALMB), or if you are on Supplemental Security Income (SSI) and you do not have Medicaid (Title 19), you will qualify for the new Medicare prescription drug program. Please read this Guide to understand how the new program will affect you.

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- 1. What is Medicare prescription drug coverage?** Medicare prescription drug coverage is a new program that pays for prescription drugs, insulin and insulin supplies, and “stop-smoking” drugs for people on Medicare. It started on January 1, 2006 and is also known as “Medicare Rx” and “Medicare Part D.” You are eligible for Medicare prescription drug coverage if you have Medicare Part A or Part B.
- 2. Will I get prescription drugs directly from Medicare?** No, Medicare doesn’t administer the new program directly. Instead, it contracts with private companies to provide the coverage. In Connecticut, there are 17 stand-alone Prescription Drug Plans (PDPs), and four Medicare Advantage plans (HMO or PPO) that offer Medicare prescription drug coverage. Most of these companies, in turn, offer several plans with different levels of coverage and costs. In addition, some employers “wrap around” the new program to offer coverage through their retirement health plans.

**If you are on a Medicare Savings Program, you will need to enroll in one of these plans to pay for your prescription drugs. If you do not enroll in a plan by May 15, 2006, Medicare will select one for you.**

**3. How does the new program work?** The Medicare prescription drug plan that you enroll in will give you a member card that you will use at participating pharmacies. You may also be able to get prescriptions by mail if this feature is available in the plan you select. Whether you get your drugs through a retail or mail order pharmacy, you will pay a small co-pay (\$2 or \$5) for each prescription, and Medicare will pay the rest of the cost.

**4. What drugs will Medicare cover?** Each Medicare-approved plan offers its own selection of covered drugs, called a “formulary.” Formularies vary from plan to plan. *Before deciding on a plan you should carefully review its formulary to be sure that it covers all of the medications that you take.*

Medicare will cover most outpatient prescription drugs, insulin and insulin supplies, and “stop-smoking” drugs. Medicare-approved plans offer a choice of at least two drugs in each of 146 categories of drugs. Each Medicare-approved plan also includes in its formulary all drugs in the following six categories of drugs: anti-depressants, anti-psychotics, anti-convulsants, anti-cancer, immuno-suppressants and HIV/AIDS.

Some drugs are not on your plan’s formulary. They are referred to as “non-formulary” drugs. Your Doctor may be able to start a special “exceptions” process for coverage of non-formulary drugs.

Other drugs are excluded, i.e., Medicare won’t cover them. These include barbiturates, benzodiazepines, drugs for weight loss or gain, over-the-counter drugs and drugs that are covered by Medicare Part A or Part B. (*NOTE: a few plans cover some of the excluded drugs as an enhanced benefit for additional cost. Also, Medicaid and ConnPACE will cover some of these drugs for their members.*)

**5. How will I select a Medicare prescription drug plan?** In October 2005, Medicare sent you the “Medicare & You 2006” handbook with information about the plans in your area. You need to study this information and ask the following questions at a minimum:

- Do you live in the plan’s service delivery area?
- Is the entire premium covered? (Ask CHOICES for more information.)
- Are the drugs you take now covered by the plan?
- Is the plan accepted at the pharmacy you use?

**NOTE:** Because you are on a Medicare Savings program, you qualify for a “full subsidy” Extra Help. Your premium will be paid in full provided you select a standard (basic) plan with a monthly premium at or below \$30.27 per month. There are 11 such plans to choose from in Connecticut. (Ask CHOICES for a listing.) If you select a different plan, you will have to pay part of the monthly premium unless you are on ConnPACE.

**Consider Joining ConnPACE:** If you are on a Medicare Savings Program and not on ConnPACE you should consider joining the program. Individuals on a Medicare Savings Program who are also on ConnPACE can enroll into any of the Medicare Rx plans available in Connecticut and have better access to non-formulary medications. For more information on ConnPACE you may call CONNPACE directly at 1-800-423-5026 or CHOICES at 1-800-994-9422.

**IMPORTANT:** If you don’t enroll in a plan on your own by May 15, 2006, Medicare will randomly assign you to one of the 11 plans in Connecticut. This is being done to ensure that people on Medicare Savings Programs and SSI actually get the coverage, even if they forget to enroll in a plan. Medicare will tell you in advance which plan they have assigned you to. You can tell Medicare to enroll you in a different plan, or you can tell them not to enroll you in any plan. **NOTE:** If you tell Medicare not to enroll you in any plan, you won’t get Medicare prescription coverage. Later on, if you decide you want to join a plan, you may have a waiting period for coverage and your premiums may be more expensive.

**6. Can I switch plans after enrollment?** Yes, you can change plans anytime. The change will be effective the first day of the month after the month you request the change. E.g., if you ask to change your plan on June 10, your change will be effective July 1.

**7. What do I have to pay for Medicare prescription drug coverage?** Because you are on a Medicare Savings Program (or if you are on SSI but you do not have Medicaid), you are eligible for **Extra Help** to pay for coverage. **Your only cost will be a \$2 (generic) or \$5 (brand) co-pay for each prescription.** You will not have to pay an annual deductible, and you will not have to pay a premium unless you select a plan that has better than standard coverage. (See more information at Question 4.)

**8. What if I have prescription coverage through ConnPACE?** If you are on ConnPACE, Medicare will become the primary payer for your prescription drugs. You will still have ConnPACE, but you are required to apply for the Medicare prescription drug program so that ConnPACE can coordinate your benefits with Medicare. If you do not select a plan on your own ConnPACE will choose one for you. You will be receiving more information about the auto-enrollment process directly from ConnPACE this winter (2006).

Since you qualify, you will also be required to have the Extra Help. You should have received information about this directly from ConnPACE during 2005. **You should also ask your CHOICES counselor for the special ConnPACE Q&A Guide that explains in detail how ConnPACE will work with Medicare Part D.**

**9. What if I have a Medicare Prescription Drug Discount Card?** If you have a Medicare Prescription Drug Discount Card you can continue to use it right up to the time you are enrolled in a plan. It will automatically expire the day before your Medicare prescription drug coverage begins, or May 15, 2006, whichever comes first. You don't need to do anything to cancel it.

**10. What if I have other prescription drug insurance?** If you have prescription drug coverage other than ConnPACE, you should have received a "Notice of Creditable Coverage" from your insurer during the fall of 2005. This Notice will tell you whether your existing coverage is "creditable," that is, whether it is as good as or better than Medicare. Use this information to decide whether to keep your existing coverage or change to Medicare prescription drug coverage. If your notice indicates that you do not have creditable coverage it is important to consider enrolling in a Medicare prescription drug plan before May 15, 2006 in order avoid paying higher premiums in the future. Call your Benefits Administrator if you didn't receive this notice.

***Be sure to save this notice if you decide to stay with your present insurance!*** If you decide to enroll in a Medicare plan later on, you'll need to show you had creditable coverage in order to avoid a late enrollment penalty (1% of the national average premium amount for every month you waited to join after May 15, 2006). Ask CHOICES for more information about this.

## **11. What happens next?**

- If you have existing health insurance, during the fall of 2005 your insurer should have sent you a notice telling you whether your insurance is considered creditable. Be sure to save this notice, especially if you decide not to join a Medicare plan right away!
- In October 2005, Medicare sent you a handbook entitled "Medicare & You 2006." It gives you the names of Medicare prescription drug plans in your area.
- You can compare plans on-line and see what drugs are covered by each plan. Go to Medicare's website and log onto their Plan Finder tool. Visit [www.medicare.gov](http://www.medicare.gov)
- As of November 15<sup>th</sup> you are able to enroll in the plan of your choice. You can apply directly to the plan or you can enroll on-line using the same Plan Finder tool described above. CHOICES can also help you enroll.
- If you enrolled in a plan on or before December 31, 2005, your prescription coverage became effective January 1, 2006. If you enroll on or after January 1, 2006, your coverage will begin the first of the month after the month you enroll. For example, if you enroll in February 2006, your coverage will begin March 1, 2006.

If you do not enroll in a plan by May 15, 2006, Medicare will randomly assign you to a plan. You can change plans later if you find one that better meets your needs.

**Special Note For People on ConnPACE:** If you are on a Medicare Savings Program and on ConnPACE and do not enroll in a Medicare prescription drug plan on your own, ConnPACE will select one for you. You will receive a letter from ConnPACE during 2006 letting you know which plan ConnPACE has selected for you. You will have the option of doing nothing and

letting ConnPACE enroll you in that plan or you can tell ConnPACE that you would like to select and enroll in a different plan. You **MUST** be in a Medicare Rx plan in order to stay on ConnPACE.

**12. Where can I get more information?** Call **CHOICES** at **1-800-994-9422** to speak to a counselor at the Area Agency on Aging serving your area of the state. CHOICES counselors are trained and certified to assist you with your Medicare issues and concerns. They can also help with comparing and enrolling in a Medicare prescription drug plan and getting Extra Help to pay for premiums, deductibles, and co-pays.

You can also get more information from these on-line sources:

- **State of CT, Department of Social Services:** [www.ct.gov/Medicarerx](http://www.ct.gov/Medicarerx)
- **Medicare:** [www.medicare.gov](http://www.medicare.gov)
- **Social Security:** [www.socialsecurity.gov](http://www.socialsecurity.gov)
- **Center for Medicare Advocacy:** [www.medicareadvocacy.org](http://www.medicareadvocacy.org)
- **Department of Social Services, Aging Services Division:**  
[www.ctelderlyservices.state.ct.us](http://www.ctelderlyservices.state.ct.us)

*CHOICES is a program of the State of Connecticut Department of Social Services, Aging Services Division, and serves as Connecticut's State Health Insurance Assistance Program (SHIP), as designated by the Centers for Medicare and Medicaid Services. CHOICES is administered in partnership with the Area Agencies on Aging and the Center for Medicare Advocacy, Inc.*



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This publication is not a legal document. The official Medicare provisions are contained in the relevant laws, regulations and rulings.

This information is available in alternative formats. Call 1-800-994-9422. TDD/TTY users call 1-800-842-4524.